

[26 April, 2001]

RAJYA SABHA

enhance the competitiveness of SSIs through easier access to credit, availability of collateral free composite loan upto Rs. 25 lakhs, capital subsidy for technology upgradation and improved infrastructure.

#### **Effect of WTO restriction on SSI**

4549. SHRI SATISH PRADHAN: Will the Minister of SMALL SCALE INDUSTRIES AND AGRO AND RURAL INDUSTRIES be pleased to state:

- (a) whether it is a fact that many Small Scale Industries have been closed due to pressure and restriction imposed by MNCs and WTO;
- (b) if so, the details thereof; and
- (c) what concrete measures have been taken or proposed to be taken by Government for safeguarding domestic industry?

THE MINISTER OF STATE OF THE MINISTRY OF SMALL SCALE INDUSTRIES AND AGRO AND RURAL INDUSTRIES (SHRIMATI VASUNDHARA RAJE): (a) and (b) There are reports from a number of institutions including SSI Associations that due to globalisation and imposition of W.T.O. conditions, the Small Scale Industries (SSIs) have been exposed to greater competition. The information on number of units affected by the development, however, is not available. The Government is constantly monitoring the impact of globalisation and W.T.O. arrangements on the economy including SSIs.

(c) The Government has put in several measures to safeguard the interest of domestic industry and to make them competitive both domestically and globally. These include special focus on areas such as technology upgradation, infrastructure assistance through cluster approach, enhanced fiscal support, timely availability of credit, adoption of modern management facilities, use of electronic infrastructure and other IT applications to face the emerging challenges of trade liberalisation. Protection to the industries is available in the form of raising customs duties up to the bound levels, imposing anti-dumping duties and countervailing duties, taking safeguard measures in case of surge in imports etc. An

interministerial group under the Chairmanship of Commerce Secretary has been constituted to assess the impact of removal of quantitative restrictions and suggest suitable corrective measures.

### **Implications of WTO agreement on SSI**

4550, SHRI R. S. GAVAI: Will the Minister of SMALL SCALE INDUSTRIES AND AGRO AND RURAL INDUSTRIES be pleased to state:

- (a) whether Government have prepared any strategy to check impending impact of the WTO regime on small and medium industries of the country especially in the matter of patents, copyright and trade marks;
- (b) if so, the details thereof?
- (c) whether Government have assessed the implications of the WTO agreement on small and medium enterprises;
- (d) if so, the details thereof; and
- (e) the steps proposed to counter the adverse effects?

THE MINISTER OF STATE OF THE MINISTRY OF SMALL SCALE INDUSTRIES AND AGRO AND RURAL INDUSTRIES (SHRIMATI VASUNDHARA RAJE): (a) and (b) Government is constantly monitoring the impact of the removal of Quantitative Restrictions (QRs) and WTO Agreements on the economy including the small and medium industries in the country. Suitable legislative changes in Intellectual property (IP) Laws are aimed at meeting India's obligations under the Trade Related Aspects of Intellectual Property Rights (TRIPS) Agreement and installing an effective system of IP protection and management.

(c) and (d) The removal of QRs have exposed our industries to greater competition. On the other hand, with the lowering of tariffs and the removal of QRs, our industries will be able to get raw material and other inputs without the hassles of Import licences and at competitive prices.